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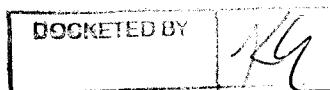
ARIZONA CORPORATION COMMISSION

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CERTIFIED MAIL

William Mattingly
c/o City of Peoria
Office of The City Attorney
P.O. Box 4038
Peoria, AZ 85380-4038

RE: New River Utility Company – Application for Sale of Assets and Cancellation of Certificate of Convenience and Necessity (CC&N). Docket No. W-01737A-15-0380

LETTER OF INSUFFICIENCY

Dear Mr. Mattingly:

In reference to the above mentioned application filed on November 6, 2015, this letter is to inform you that the application has not met the sufficiency requirements as outlined in the Arizona Administrative Code. The deficiencies are:

1. Are there any refunds due on Main Extension Agreements? If yes, please describe the proposed disposition of the refunds;
2. Documentation establishing the utility's financial condition, including at least the utility's current assets and liabilities, an income statement, the utility's revenue and expenses for the most recently completed 12-month accounting period, and the value of the utility's utility plant in service;
3. In Exhibit C, the Assignment and Assumption Agreement and Consent that has been or will be executed concerning the transaction, a reference was made to "the City of Glendale" pertaining to "certain Agreement dated March 13, 1990, (the "Agreement"), as evidenced in ***Exhibit "A"*** attached hereto." Please provide a copy of the referenced Agreement. Also, please confirm whether or not the Agreement pertains to the City of Glendale and/or the City of Peoria;
4. A description of the effect that the proposed transaction will have upon the utility's services;
5. The method by which the proposed transaction is to be financed;
6. A description of the effect that the proposed transaction will have upon any other utility;
7. The number of customers to be affected by the proposed transaction;

8. A description of the effect that the proposed transaction will have upon customers;
9. Has there been any changes in the Company's plant facilities described in the Company's 2014 Annual Report? Please explain;
10. Is any of the wells or storage tanks listed in the Company's plant facilities described in the Company's 2014 Annual Report not in service? Please explain
11. There is no Gallons Pumped information in the Water Use data described in the Company's 2014 Annual Report. Please provide Gallons Pumped data for 2014; and
12. Please check the number of total Gallons Sold (571,065,080) for discrepancies and provide the correct number.

Staff would like to use this opportunity to bring the following to your attention:

- Pursuant to the Arizona Administrative Code ("A.A.C.") R-14-2-411(C), upon meeting sufficiency requirements, the Commission has 150 calendar days for its substantive review. This includes conducting a hearing and preparing Opinion and Order to present to the Commission at an Open Meeting; and
- Pursuant to A.A.C. R14-2-411(C)(3), Staff may terminate an application if the applicant does not remedy all deficiencies within 60 calendar days of the notice of deficiency.

Please file your response to this Insufficiency Letter with Docket Control.

If you have any questions concerning this matter, please do not hesitate to contact me at 602-542-0840 or Katrin Stukov at 602-542-0941.

Very truly yours,



Blessing N. Chukwu
Executive Consultant III

BNC:lea

cc: Docket Control
Del Smith
Dwight Nodes
Brian Bozzo
Connie Walczak